



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Grassley Works to Require Nursing Homes to Use New Federal Money for Resident Care

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, today said he will work to require nursing homes to use a new federal windfall of \$6.9 billion over 10 years for direct care to nursing home residents.

“I expect nursing homes to use the new money to improve resident care,” Grassley said. “That means improving quality, not using the money to increase profits, or double the administrator’s salary. Nursing homes already get \$62 billion of federal and state tax dollars per year. They also get a lot of the residents’ own dollars. Unfortunately, quality of care is too often poor. We just had a hearing showing how bad care can get. More money spent in the right places will result in better care. It’s as simple as that.”

Grassley said he has secured commitments from Health and Human Services Secretary Tommy Thompson and Centers for Medicare and Medicaid Services Administrator Tom Scully that the windfall should be directed toward obtaining high quality care and not to providers’ pocketbooks.

In addition, Grassley said he will pursue legislation to codify the direct care mandate as part of the Medicare prescription drug bill under consideration. Grassley, as the author of the Senate’s version of the Medicare bill, is the vice chairman of the House-Senate conference committee working to resolve the differences between each chamber’s bill.

Today, the Centers for Medicare and Medicaid Services included the payment updates in a final rule that went on display via the Federal Register and will be published on Aug. 4. The new rule will allow nursing homes to receive an additional \$6.9 billion over 10 years, beginning Oct. 1.

Early this afternoon, Grassley met with Scully and industry stakeholders to secure a common commitment from all parties that new monies will be spent on direct care services, in particular, for nursing staff that provide hands-on care to nursing home residents. Among other stakeholders expressing their commitment, the American Association of Homes and Services for the Aging (AAHSA), which represents 5,600 not-for-profit nursing homes, stated in a letter to Grassley, “(AAHSA is) happy to confirm our support of your position that the additional federal funds provided by the CMS market basket adjustment be used for direct care services.”

Grassley said, “I’ll do everything I can to get this direct care mandate passed into law this fall, as part of the Medicare bill or something else. I want to compliment Tom Scully and the Administration for their commitment to address my concerns. If we want to improve nursing homes, the bottom line is that the money has to go where it’s needed most – to enhance the quality of care for residents. I called Tom Scully and all the stakeholders together today to get a compact between us that taxpayer dollars will be used for direct, hands-on care.”

Grassley has worked for years to improve the quality of care in the nation’s nursing homes. He has worked closely with the General Accounting Office to document quality of care problems and to pinpoint specific solutions. The GAO has attributed poor care to factors including inadequate direct care staffing levels and a weak enforcement system. Last month, the GAO reported some progress in improving nursing home care, but said significant problems – for example, predictable inspections – remain. The GAO reports that one in five nursing homes place residents at risk of death or serious injury.